



The Kerala Agriculturists' Loans Act, 1961

Act 27 of 1961

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THE KERALA AGRICULTURISTS' LOANS ACT, 1961[**\[1\]**](#)

(Act 27 of 1961)

An Act to consolidate and amend the laws relating to loans of money by the Government for land and agricultural improvements in the State of Kerala.

WHEREAS it is expedient to consolidate and amend the laws relating to loans of money by the Government for land and agricultural improvements in the State of Kerala;

BE it enacted in the Twelfth Year of the Republic of India as follows:-

PART I

Preliminary

1) *Short title, extent and commencement*- (1) This Act may be called the Kerala Agriculturists' Loans Act, 1961.

- (2) It extends to the whole of the State of Kerala.
- (3) It shall come into force at once.

2) *Definitions*.-In this Act, unless the context otherwise requires,--

(a) "Collector" means the Collector of the district or any officer empowered by the Government to discharge the functions of a Collector under this Act;

(b) "improvement" means any work which adds to the value of the land, and includes the following, namely:-

(i) the construction of wells, tanks, sluice, bund and other works for the storage, supply or distribution of water for the purposes of agriculture or for the use of men and cattle employed in agriculture;

(ii) the preparation of land for irrigation;

(iii) the drainage, reclamation from rivers or other waters, or protection from floods or from erosion or other damage by water, of land used for agricultural purposes or land which is cultivable;

(iv) the construction of permanent bunds around Punja or Kayal fields used for agricultural purposes;

(v) the reclamation, clearance, enclosure or permanent improvement of land for agricultural purposes;

(vi) the construction of walls, boundary walls (kayyalas), store houses, farm houses and cattle sheds;

(vii) the renewal or reconstruction of any of the foregoing works, or alterations therein or additions thereto;

(viii) the planting or rearing of such kinds of plants and crops as may be notified in the Gazette by the Government; and

(ix) such other works as the Government may, from time to time, by notification in the Gazette, declare to be improvements for the purposes of this Act;

(c) “prescribed” means prescribed by rules made under this Act.

PART II

Land Improvement Loans

3) *Purposes for which loans may be granted under this part.*- Subject to such rules as may be made under section, loans may be granted under this part by the Government or such officer or authority as may, from time to time, be empowered in this behalf by the Government, by notification in the Gazette, for the purpose of making any improvement, to any person having a right to make the improvement or, with the consent of that person, to any other person.

4) *Mode of dealing with application for loans.*-(1) When an application for a loan is made under this Part, the authority to whom the application is made may, if it is in the opinion of the authority expedient that public notice be given of the application, publish a notice in such manner as may be prescribed, calling upon all persons objecting to the loan to appeal before the authority at a time and place fixed therein and submit their objections.

(2) The authority shall consider every objection submitted under sub-section (1), and make an order in writing either admitting or over-ruling it.

5) *Period of repayment of loans.*-(1) Every loan granted under this Part shall be made repayable in such manner and at such time as the Government may prescribe or by instalments, in the form of an annuity or otherwise, within such period from the date of the actual advance of the loan, or, when the loan is advanced in instalments, from the date of the advance of the last instalment actually paid, as may, from time to time, be fixed by rules made under this Part

(2) The period fixed as aforesaid shall not ordinarily exceed twenty years.

6) *Subsequent encumbrances void against Government.*-All encumbrances created on the land offered as security for the loan, after the date of the order granting the loan, shall be void as against all claims enforceable by the Government in respect of such loan.

7) *Recovery of loans.*- (1) Subject to such rules as may be made under section 9, all loans granted under this Part, all interest chargeable thereon, and costs, if any incurred in making and recovering the same, shall, when they become due, be recoverable by the Collector in all or any of the following modes, namely:-

a) from the borrower-as if they were arrears of land revenue due by him;

b) from his surety, if any—as if they were arrears of land revenue due by him;

c) out of the land for the benefit of which the loan has been granted as if they were arrears of land revenue due in respect of that land;

d) out of the property comprised in the collateral security, if any—according to the procedure for the realization of land revenue by the sale of immovable property other than the land on which that revenue is due.

2) All sales of land under clause (c) of sub-section (1) shall be free of all encumbrances created on the land subsequent to the date of the order granting the loan.

3) When any sum due on account of any such loan, interest or costs is paid to the Collector by a surety or an owner of property comprised in any collateral security, or is recovered under sub-section (1) by the Collector from a surety or out of any such property, the Collector shall, on the application of the surety or the owner of that property, as the case may be, recover that sum on his behalf from the borrower, or out of the land for the benefit of which the loan has been granted, in the manner provided by sub-section (1).

4) It shall be in the discretion of the Collector acting under this section to determine the order in which he will resort to the various modes of recovery permitted by it.

8) *Order granting loan conclusive on certain points.*- A written order under the hand of an authority empowered to make loans under this part granting a loan to, or with the consent of, a person mentioned therein, for the purpose of carrying out a work described therein, for the benefit of land specified therein, shall, for the purposes of this Act, be conclusive evidence—

(a) that the work described is an improvement within the meaning of this Act;

(b) that the person mentioned had at the date of the order a right to make such an improvement;

(c) that the improvement is one benefiting the land specified.

9) *Power to make rules.* - (1) The Government may, from time to time, by notification in the Gazette, make rules for carrying out the purposes of this Part.

(2) In particular, and without prejudice to the generality of the foregoing power, such rules may provide for all or any of the following matters, namely:-

(a) the manner of making applications for loans;

(b) the manner of conducting inquiries relating to applications for loans, and the powers to be exercised by officers conducting those inquiries;

(c) the nature of the security to be taken for the due application and repayment of the money, the rate of interest at which, and the conditions under which, loans may be granted, and the manner and time of granting loans:

Provided that the rate of interest shall not be less than three per cent nor more than five per cent per annum;

(d) the inspection of works for which loans have been granted;

(e) the instalments by which, and the mode in which; loans, the interest to be charged on them and the costs incurred in the making thereof, shall be paid;

(f) the manner of keeping and auditing the accounts of the expenditure of loans and of the payments made in respect of the same; and

(g) all other matters pertaining to the working of this Part.

(3) All rules made under this section shall be laid for not less than fourteen days before the Legislative Assembly as soon as possible after they are made, and shall be subject to such modifications, whether by way of repeal or amendment, as the Legislative Assembly may make during the session in which they are so laid or the session immediately following.

PART III

Loans for the relief of distress, purchase of seed, cattle, etc.

10. *Power to make rules.*-(1) The Government may, from time to time, by notification in the Gazette, make rules as to loans to be made to owners and occupiers of arable land for the relief of distress, purchase of seed, cattle, manure or agricultural implements, motors and pump sets or any other purpose not specified in Part II of this Act, but connected with agricultural objects.

(2) All rules made under this section shall be laid for not less than fourteen days before the Legislative Assembly as soon as possible after they are made, and shall be subject to such modifications, whether by way of repeal or amendment, as the Legislative Assembly may make during the session in which they are so laid or the session immediately following.

11. *Recovery of loans*.-Every loan granted in accordance with the rules made under section 10, all interest chargeable thereon, and costs, if any, incurred in making or recovering the same shall, when they become due, be recoverable from the person to whom the loan was made, or from any person who has become surety for the repayment thereof, as if they were arrears of land revenue or costs incurred in recovering the same due by the person to whom the loan was made or by his surety.

PART IV

Miscellaneous

12. *Liability of joint borrowers as among themselves*.-When a loan is made under Part II or Part III to the members of a village community or to any other persons on such terms that all of them are jointly and severally bound to the Government for the payment of the whole amount payable in respect thereof, and a statement showing the portion of that amount which as among themselves each is bound to contribute is entered upon the order granting the loan and is signed by each of them and by the authority making the order, that statement shall be conclusive evidence of the portion of that amount which as among themselves each of those persons is bound to contribute.

13. *Repeal*.-(1) The Land Improvement Loans Act, 1883 (Central Act 19 of 1883) and the Agriculturists Loans Act, 1884 (Central Act 12 of 1884) in their application to the Malabar district referred to in sub-section (2) of section 5 of the States Reorganisation Act, 1956, the Land Improvement and Agricultural Loans Act, 1094 (Travancore Act IX of 1094) and the Cochin Agricultural Improvement Loans Act, 1093 (IV of 1093), are hereby repealed.

(2) Notwithstanding such repeal, advances made before the commencement of this Act and costs incurred by the Government in respect of such advances shall be recovered as if the said Acts had not been repealed by this Act.

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